

The Rustcraft Road Proposal

Frequently Asked Questions

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Project Details

- 1. How and when did this project start?** The Board of Selectmen became aware in January, 2013 that the Rustcraft Building on Rustcraft Road would be sold at auction in February. Even though the Town cannot bid on property auctions such as this, the Board felt this might be an opportunity to investigate options with the new prospective owner given the Town's ongoing discussions to construct new facilities for various departments. Going back to an RFP the Board issued in November, 2011 for a location that would centralize Town facilities, the Board of Selectmen felt the Rustcraft Building could present a unique and important opportunity. The site was one of just a few in Town with the space to consolidate several Town functions into one building. The cost of renovating existing space is lower than the cost to build new space and could represent a cost-savings opportunity.

In February, the Board of Selectmen directed the Town Administrator to inform the Davis Co. (which acquired the property at auction) of the Town's interest in exploring potential acquisition of a portion of the building. Between March and today, initial architectural work was performed, negotiations were held and an agreement in principle was reached on a price to acquire a portion of the building for Town use.

- 2. How much space are we discussing?** 224,000 square feet. The space would be the section to the left of the existing Red Cross entrance when looking at the building from Rustcraft Road, from the front of the building through to the back. An aerial view of the building is attached. We are proposing to purchase the area to the left of the red line.



- 3. How will the space be used?** The space will be used to as a Police Station (21,000 sq. feet), Senior Center (16,000 square feet), and Town Hall (35,000 square feet). Initial plans also include a cafeteria, a Parks & Recreation garage, town engineering and other potential town offices. The Town Employees Credit Union may also be re-located. This leaves approximately 114,000 square feet for future town use & development.

4. **Is there a site plan available that shows the portion of building we are buying?** See the image used in answering Question 2. As we receive additional plans, we will share.
5. **What will we do with the vacant space?** The vacant space amounts to 114,000 square feet. We expect to seek appropriate tenants for that space utilizing statutory procedures for disposition of Town property.
6. **How much will it cost?** The acquisition cost is \$18 million and the Town will invest \$10 million thereafter on interior fit-out. Total cost for the project is estimated at \$28 million.
7. **How will it affect my taxes?** The acquisition is not expected to have an impact on your taxes. Our plan is to pay for this project by bonding (borrowing) the money, and, subject to Town Meeting approval, to pay back that bond using the funds accumulated in the Robin Reyes Major Capital Facilities Stabilization Fund. This is the fund created in late 2009 at a Special Town Meeting into which the Town has been depositing revenue from local option hotel & meals taxes. Currently, there is \$3.5 million in the fund and projected revenues in the future average about \$1.2 million a year. Special Town Meeting in November will be asked to transfer approximately \$544,000 to the fund, which brings the total to about \$4.04 million. All transfers in and out of the Robin Reyes Fund must be approved by a two-thirds vote of Town Meeting.

Based on financial projections we can demonstrate that we can borrow up to a total of \$28 million and repay it over 30 years. In addition and as per current policy, the Town will maintain a minimum balance of \$1 million in the Fund at all times.

8. **Who will be responsible for building maintenance?** The Town plans to buy the space as a condominium unit. Interior maintenance will be the Town's responsibility. The association of the condominium unit owners will be responsible for the maintenance of the condominium common areas, which are expected to include the lands outside the building and any portion of the building, such as the roof, that is integral to the building as a whole. The cost of this maintenance will be paid by the unit owners through fees assessed by the condominium association.
9. **Was either the municipal parking lot (Keystone lot) or the old Avery school considered as potential sites for any or all of these functions?** Studies of Dedham Square show the municipal parking lot is needed for parking until a new parking plan is explored. If it were used for municipal buildings, the parking would have to be replaced, and there is no clear answer as to how that would happen. The old Avery School was not considered because Town Meeting last year authorized the Board of Selectmen to enter into a lease with a group which would use the building as an arts and community center.
10. **What will the effect be on Dedham Square if Town Hall and the Police Station relocate to Rustcraft Road?** The Board of Selectmen retained the services of a consulting firm to evaluate the real estate market and recommend the highest and best uses for the Town Hall and Police Station sites, should the Rustcraft proposal be approved. For both sites, mixed use buildings are being recommended to ensure the Square continues to see the traffic of visitors necessary for a vibrant commercial center.

Mixed use buildings are defined as a combination of retail, restaurant, office and residential space. This approach would bring more activity to the square than the Town Hall and Police Station currently generate. If the Rustcraft proposal is approved then the Board of Selectmen will evaluate the options of selling or executing ground leases for one or both sites. It is proposed that any money from the sale or ground lease would be transferred into the Robin Reyes Fund for future projects and not for the Rustcraft project. Any transfer of these funds would require a 2/3 vote at Town Meeting.

11. What else is in the Rustcraft Building? The total building is 505,000 square feet. The current tenants include Red Cross, Federal Reserve, and RecordKeeper.

12. What happens if the Davis Company sells the remainder of the building after the Town acquires its unit? The Town would own its portion of the building and would remain subject to the terms of a condominium agreement established for the entire property when the sale is finalized. The new prospective owner would be required to honor those same condominium conditions established for the Town. The new owner would continue to abide by any Planning Board regulations established for this property.

Process

13. If Town Meeting approves this project, what is the process following that? This project would be subject to review by the Planning Board, Conservation Committee and the Zoning Board of Appeals. The Building, Planning and Construction Committee (BPCC) will take responsibility for the project if Town Meeting approves the project.

14. Shouldn't Town Meeting have given its approval before the Selectmen negotiate with the Davis Co?

Town Meeting approval is not required to negotiate the terms of a prospective purchase of real estate. It is needed, of course, to authorize the acquisition of real estate and to appropriate the necessary funds.

In this negotiation, the Board of Selectmen has followed past procedure used when the Town purchased the St. Mary's parking lot on High Street, the former Henry's TV building next to Town Hall, and the SMA Property on Common Street. Without some discussion and negotiation, the Town could not gather enough information to make a useful presentation to Town Meeting.



- 15. Does the current square footage allow for expansion?** Yes. There will be unoccupied space. Potential future opportunities include non-profits, other government agencies, a regional dispatch center, court functions, libraries, leased offices, or other public or private entities that may be acceptable to the Town. Until the Town controls this space we are not able to fully investigate all possible options.
- 16. Is the Town under a deadline to make a decision?** The Memorandum of Understanding between the Davis Company and the Selectmen on behalf of the Town calls for the Town to seek Town Meeting authorization to purchase the property and the requisite appropriation at Special Town Meeting this fall.
- 17. Town Meeting authorized a new Senior Center Site Committee to make recommendations on where a Senior Center should go. What will happen if the Senior Center is not recommended on the Rustcraft site?** The Senior Center Site Selection Committee is reviewing options, but has not spent any funding to review options in order to let the town explore this Rustcraft option. If Town Meeting does not approve the Rustcraft proposal, then the Committee will complete its assigned task and report back to Town Meeting.
- 18. Was the Senior Center Site Committee involved in the test fit for the Senior Center?** No. The Council on Aging Director had full involvement in the process.
- 19. Will voters have a chance to vote on this project?** Because the project does not require any additional property taxes to purchase or fit out the property, Massachusetts law and the Town Charter give Town Meeting the necessary authority to make this decision. Residents can contact their Town Meeting representatives to make their views known. Town Meeting also allows any taxpayer to express their views, even though they cannot vote.
- 20. If this is approved, when would the building be ready for occupancy?** Towards the end of 2015, most likely.

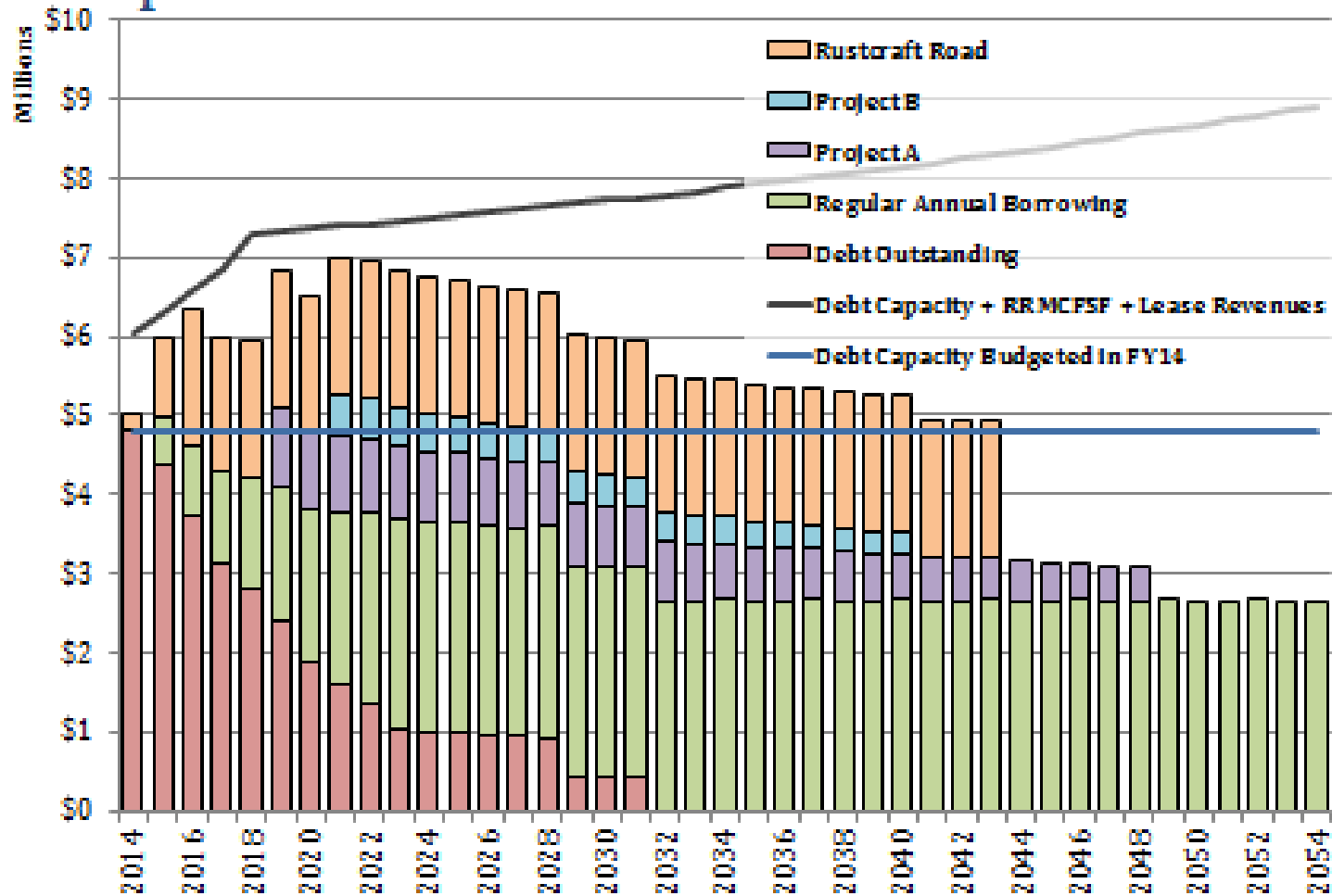
Finances

- 21. How much will it cost?** To purchase the space, the Town will pay the Davis Co. \$18 million. The Town expects to invest approximately \$10 million to “fit-out” the space. Total cost for the project is estimated at \$28 million.
- 22. How will this project be financed?** This project would be paid by bonding (borrowing) the money. It is intended that this bonding will be paid back entirely from the Robin Reyes Major Capital Facilities Stabilization Fund, subject to approval by a two-thirds vote of Town Meeting. This is the fund created in late 2009 at a Special Town Meeting into which the Town has been depositing revenue from local option hotel & meals taxes. Currently, there is \$3.5 million in the fund and projected revenues in the future average about \$1.2 million a year. Special Town Meeting in November will be asked to transfer approximately \$544,000 to the fund, which brings the total to about \$4.04 million.

Based on this information the Town can borrow up to a total of \$28 million and repay it over 30 years. Per current policy, the Town will maintain a minimum balance of \$1 million in the Fund.

A chart showing projected debt and debt capacity follows on page 6.

Debt Service and Revenue Projections, Comprehensive



23. How does the cost of co-locating compare with the cost of building separate new town facilities?

Beta Group, a well-respected urban design & land planning firm, was hired to estimate the cost of building separate, stand-alone facilities. Their analysis estimates:

Police Station: 21,000 square feet, completed in 2015 - \$11,963,000

or 27,000 square feet, - \$15,357,000

Senior Center: 16,000 square feet, completed in 2017 - \$ 8,595,000

Town Hall : 35,000 square feet, completed in 2019 - \$21,740,000 (for entirely new bldg.)

or 35,000 square feet \$16,563,000 (for renovation and addition)

So if we built a new Police Station (21,000 sq. ft.) a new Senior Center and renovated Town Hall, we would spend \$37,121,000. Co-locating these same facilities at Rustcraft is estimated to cost \$28,000,000. *[The Beta Group estimates include site work, but exclude land acquisition costs, if any.]*

24. Is the parking lot included in the purchase price? The purchase price is for the building and what is inside. It does not include the land underneath the parking lot but will include the right to use a certain portion of the lot for parking.

25. Who will pay for the furnishings inside the building? The Town will pay for furnishings. The present Town Hall furniture will also be utilized-it is only five years old.

26. How much will the condo fees be? Condominium fees will be assessed to all unit owners of the condominium by the organization of the unit owners in accordance with each unit's percentage of undivided interest in the common areas and facilities of the condominium, and will include the expenses of administration, maintenance, repair or replacement of the common areas and facilities. We cannot predict exactly what those fees will be, but going forward we will attempt to estimate as accurately as possible what fees the Town can expect to pay on a yearly basis.

27. How much tax revenue will be lost because a portion of the building will be coming off the tax rolls?

Currently, the entire property pays annual property taxes of \$710,000. However, this amount is based on a reduced valuation of the property due to the vacant space that has existed for over ten years. In consultation with the Assessing Department, a significant amount of the vacant space would be converted to Town ownership through this sale. The remaining portions of the property would stay under the present ownership and the present tax value would show very little change. As such, we anticipate little or no loss of tax revenue resulting from this project.

28. Are there any other funds that could help offset the costs of the project? We have called Congressman Lynch's office to see if the project might qualify for any federal funds because of the uniqueness of the Central Municipal Building concept. We are checking to see if the senior center portion of the project may qualify for a state grant. We have funds from the existing cable television contracts that can be used for portions of the IT costs.

- 29. How will this impact our AAA bond rating?** According to the Town's financial advisor, this investment should not impact the AAA bond rating.

Traffic & Permitting

- 30. What impact will this project have on traffic?** It is not quantified at this point. The project will be subject to a Major Site Plan Review process by the Planning Board, which includes a traffic study, parking analysis and surveys for sidewalks. The Board of Selectmen is currently working with Town staff to pull together traffic estimates/pattern data for the existing Town Hall, Police Station & Senior Center.
- 31. How will this project be reviewed & permitted?** The project will be subject to a Major Site Plan Review process by the Planning Board, which includes a traffic study, parking analysis and surveys for sidewalks. Additionally there will be a site review by the Conservation Commission relative to Stormwater Management. The project will be studied by a consultant hired by the Town and the Planning Board to come up with the best decision. The Zoning Board of Appeals will review for necessary variances.
- 32. Will landscaping on the outside be increased?** This will be part of a Planning Board Major Site Plan Review process.
- 33. Will sidewalks be added along Rustcraft Road?** This will be evaluated by the town departments and as part of the Planning Board's Major Site Plan Review.
- 34. Will a bike lane be added on Rustcraft Road?** This will be evaluated by the Engineering Department which will make a recommendation to the Town Administrator and Board of Selectmen.
- 35. Will the Town bus service be routed to stop at Rustcraft?** This will be evaluated by the Town Administrator, but it is hoped that a revised town bus service will include Rustcraft.
- 36. Is the parcel still eligible for development under state law known as 40B?** Yes. However, the town's affordable housing inventory is currently at 10.8 %, which reduces the ability of a developer to obtain approval of a so-called "unfriendly" 40B project on the site.

Miscellaneous

- 37. What will the Davis Co. do with the rest of the building?** Davis is currently leasing space in the building to other tenants (Red Cross, etc.) and 44,000 sq. ft. will be unoccupied if the Town purchases a 224,000 sq. ft. unit. When the property is condo-ized the leased spaces will form one or more condominium units.



- 38. What will the effect be on Dedham Square if Town Hall and the Police Station relocate to Rustcraft Road?** The Board of Selectmen retained the services of a consulting firm to evaluate the real estate market and recommend the highest and best uses for the Town Hall and Police Station sites, should the Rustcraft proposal be approved. For both sites, mixed use buildings are being recommended to ensure the Square continues to see the traffic of visitors necessary for a vibrant commercial center. Mixed use buildings are defined as a combination of retail, restaurant, office and residential space. This approach would bring more activity to the square than the Town Hall and Police Station currently generate. If the Rustcraft proposal is approved then the Board of Selectmen will evaluate the options of selling or executing ground leases for one or both sites. It is proposed that any money from the sale or ground lease would be transferred into the Robin Reyes Fund for future projects and not for the Rustcraft project.
- 39. If this is approved when would the new buildings in Dedham Square open?** Approximately 18 months to two years after the Town moves to Rustcraft.
- 40. When Town Meeting votes on this project, does it require a simple majority or a two-thirds vote?** A vote to authorize the acquisition of the property alone would require a simple majority. However, because it is anticipated that the vote taken will include both authorization to acquire the property and authorization to borrow the cost of acquisition and improvements, the vote would require a two-thirds majority. Appropriation of funds to acquire real property, as well as appropriation from a stabilization fund, including the Robin Reyes Major Capital Facilities Stabilization Fund to pay for the debt service, requires a two-thirds vote of Town Meeting.
- 41. What will the hours of operation be for the Police Station, Town Hall and Council on Aging/Senior Center?** The current hours of operation, are:
- Town Hall:** Monday, Tuesday, Thursday, Friday, (8:30 a.m. to 4:30 p.m.) and Wednesday (8:30 a.m. to 7:00 p.m.), with nighttime meetings Monday through Thursday.
- Police Station:** 24 hours a day, 7 days a week
- Council on Aging/Senior Center:** Monday thru Friday, (8:30 a.m. to 4:30 p.m.)
- 42. This is a residential neighborhood. Is it a good place for a Police Station?** Most police stations are centrally located in towns, many of which are in or bordering residential neighborhoods. [The back of the current Police Station abuts a residential neighborhood.]
- 43. How much noise will there be from the Police Department vehicles?** Noise is expected to be minimal. The Police Chief explained that officers generally don't use lights and sirens when leaving the station in cruisers.
- 44. What is the purpose of the indoor gun range at the police station?** The indoor gun range is a place for police to practice firearms skills. The gun range will not be open to the public.

- 45. Are there potential public safety issues having Town Hall, Police Station and Senior Center co-located?** We do not believe there is an adverse impact.
- 46. Is there asbestos inside? If so, how expensive will it be to remove it?** Town records indicate asbestos abatement was conducted in 1986, 1993 and 2006. No further testing has been done to this point.
- 47. Can the proposed cafeteria be used as a restaurant or for catering?** Possibly. The Town will explore the option of the cafeteria being run by a private entity at no cost to the Town.
- 48. What is the status of the Red Cross?** The Red Cross, a bank, and storage company recently re-signed leases with the Davis Company, so those organizations will continue to occupy space in the Rustcraft building for the near future.
- 49. What other options does the Davis Co. have?** If an agreement with the Town does not move forward, The Davis Co. could continue to seek tenants for the space as currently zoned (light manufacturing). They could also seek zoning relief (a variance) or a zoning change to expand their options for future development or occupancy.
- 50. At a previous Town Meeting \$300,000 was allocated to complete a police station feasibility study. What will happen to this money?** If this project is approved, this study would no longer be needed and a request would be made at a subsequent Town Meeting to rescind the authorization to spend these funds.
- 51. How can I keep up to date with the latest information on this project?** Visit the town's web page at www.dedham-ma.gov/rustcraft for the latest information.